### **ORIGINAL**

### **HOGAN & HARTSON**

L.L.P.

October 15, 1999

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PEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

BY HAND DELIVERY

Ms. Magalie R. Salas Secretary Federal Communications Commission The Portals 445 Twelfth Street, S. W. Washington, D.C. 20554

> Re: Notice of Ex Parte Communication, CC Docket No. 99-272

Dear Ms. Salas:

On October 13, 1999, Qwest Communications International, Inc. ("Qwest") met with representatives of the Common Carrier Bureau. Present on behalf of Qwest were Drake Tempest, Executive Vice President and General Counsel of Qwest; Genevieve Morelli, Senior Vice President, Government Affairs of Qwest; and the undersigned. Present on behalf of the Common Carrier Bureau were Lawrence Strickling, Bureau Chief; Robert Atkinson, Deputy Bureau Chief; Carol Mattey, Chief of the Policy and Program Planning Division; Margaret Egler, Assistant Chief of the Division; as well as Henry Thaggert and David Kirschner, also of the Division. The purpose of the meeting was to present Qwest's plan for divesting its in-region interLATA services in the US WEST states prior to closing of the Qwest-U S WEST merger. I have attached a copy of the materials that Qwest provided to the staff at this meeting, and that served as the basis for the discussion.

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I have hereby submitted two copies of this notice to the Secretary, as required by the Commission's rules. Please return a date-stamped copy of the enclosed (copy provided). Please contact the undersigned if you have any questions.

Respectfully submitted,

Peter A. Rohrbach

Counsel for Qwest Communications International, Inc.

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**Enclosures** 

cc: Margaret Egler

### QWEST INTERLATA DIVESTITURE PLAN

October 13, 1999

### **QWEST INTERLATA DIVESTITURE PLAN**

October 13, 1999

### I. QWEST GOVERNING PRINCIPLES FOR DIVESTITURE

- Minimize impact on customers, with seamless transition and no increase in rates.
- Comply fully with FCC requirements under Section 271 of the Telecommunications Act.

### II. QWEST DIVESTITURE ADMINISTRATIVE PROCESS

- Qwest is completing the process of reviewing all customer contracts to identify interLATA services that must be divested as of closing. This has been a large undertaking, covering both retail and wholesale accounts.
- Simultaneously, Qwest has been working hard to address the operational issues associated with divesting services.
- Out of this process, Qwest has been designing a divestiture plan to meet its objectives. This process is nearly finished, though final decisions have not been made on certain operational matters.
- Next Qwest will begin to meet with potential buyers of the services to be divested. Buyer(s) will be expected to hold certificates of authority from the FCC (and relevant state jurisdictions), and to be technically and operationally able to take on service obligations in a timely fashion without customer disruption.
- We are confident that our divestiture process will move forward expeditiously so as to permit a closing as scheduled.

### III. SERVICES TO BE DIVESTED

## A. Originating InterLATA Long Distance and Terminating 800 Services

- Qwest will transfer its in-region interLATA long distance business to a new IXC as of closing. The new carrier will be independent of Qwest.
- That carrier will provide service to customers over its own transmission network and local access. Qwest will not provide any wholesale interLATA transmission services to the new carrier.
- Divestiture will not result in rate increases to consumers.
  - The new carrier will agree, as a condition of buying the divested business, not to increase rates to customers taking service under tariff for a fixed period still to be determined. This protection will exceed current regulatory rate protections. Any rate changes made by the buyer thereafter will be subject to the regulatory policies of the FCC.
  - ◆ Customers will receive advance notice of the change in their long distance carrier, including a reminder that they have the ability to take their business to another IXC.
  - ◆ Insofar as customers take service under contracts, the new carrier will assume responsibility for meeting all terms of those contracts (including price and service quality conditions) related to the interLATA services. When the contract expires, the customer will negotiate new interLATA arrangements with any carrier it wants, but not Qwest prior to Section 271 relief.
- The cutover to the new carrier will be done on a seamless and transparent basis, just as customers change long distance service providers routinely today. Qwest and the new carrier will comply with FCC conditions allowing the transition of customers between carriers upon sale of a business without individual LOAs.

- Qwest is allowed under the Telecom Act to continue to provide "out-of-region" services and expects to do so. Where Qwest currently is providing service to large business accounts with locations both inside and outside the U S West region, Qwest will assign the in-region interLATA services to a new carrier under the processes discussed above.
- Qwest may offer support functions to the carrier to the extent permitted under the Telecom Act.

#### B. Private Line Voice and Data Services

- Qwest will assign a new carrier (or carriers) all retail and wholesale
  private line and data service activity where a circuit provided to
  a customer crosses a U S West LATA boundary.
- The new service provider will provision that interLATA circuit over its own transmission network and local access. Qwest will not provide wholesale transmission service.
- The new carrier will assume all Qwest tariff and contract commitments to customers, including those related to price and service quality.
- Qwest and the new carrier will communicate with customers in advance of the cutover to explain the change in service provider and address any customer questions.
- Consistent with the Telecom Act, Qwest will continue to provide private line voice and data services wholly outside the U S West region. This will minimize customer disruption in the case of customers with both in-region and out-of-region service requirements.
- Qwest will allow the new carrier to use ports on Qwest data switches so that the carrier can connect its own local access and interexchange transmission facilities. This also will help make the transition for customers smoother as Qwest exits the in-region interLATA services business.
- Qwest will offer the new carrier other support functions that assist the carrier in meeting customer requirements. Any such functions would be provided under the new carrier's control, and consistently with the Telecom Act.

### C. Calling Card Services

- Qwest will assign its in-region interLATA calling card service to another IXC and discontinue providing this service to card customers.
- Cardholders will continue to receive service as before, without interruption, from the new carrier over that carrier's network. Qwest will not provide any wholesale interLATA telecommunications services.
- The new carrier will commit not to increase customer rates for a specified period after the changeover, and thereafter will modify rates only pursuant to applicable regulatory rules. Where calling card services also are provided under contract, the buyer will assume the applicable contract obligations.
- Customers will receive advance notification of the change in their carrier.
- As permitted by the Telecom Act, and as U S West does today,
   Qwest may market calling card services on behalf of the buyer
   or another carrier, but that carrier will be identified as the
   service provider to the customer, and establish rates and
   handle other related matters.

### D. Prepaid Card

- Qwest will assign its in-region interLATA prepaid business to another IXC.
- Calls made using the cards will be routed to the new carrier and handled over that carrier's network. The new carrier will be identified as the service provider in interactions with the cardholders.
- That carrier will not increase rates to consumers who have purchased cards. The cards will continue to work, making the change economically and operationally transparent.
- As permitted by the Telecom Act, Qwest may market new prepaid cards in the future as agent for the buyer or another carrier.

### E. Operator Services

 Qwest will discontinue handling in-region interLATA calls. Any commitments to do so will be assigned to a new carrier who will abide by Qwest's existing contractual agreements.

#### F. InterLATA Information Services

- Where customers currently connect to information services across U S West LATA boundaries, Qwest will ensure that those customers obtain transport service from another carrier.
- Where Qwest has preexisting contractual commitments to provide interLATA transport in the U S West region, it will assign those commitments to another carrier who will assume the responsibility of providing the services on the same terms and conditions.

#### IV. CONCLUSION

- Further details regarding divestiture will become available as Qwest identifies buyer(s) and proceeds with implementation.
- No matter what, Qwest will remain focussed on its key objectives of minimizing impact on customers and fully satisfying the Telecom Act.

# Frame Relay/ATM Network Node Locations



Qwest

# **Access Switch Locations**

